

# SeniorCare

Division of Health Care Financing - Division of Disability & Elder Services  
Medicaid Services to Seniors - February 9, 2005



# SeniorCare Pharmacy Plus Waiver

- Five-year 1115 demonstration waiver: from SFY 2003 through SFY 2007
- Federal Medicaid matching funds for participants with income up to 200% of the FPL.
- Federal matching funds cover approximately 60% of state expenditures for those participants.



# SeniorCare Pharmacy Plus Waiver

- Must demonstrate budget neutrality over the life of the five-year demonstration period.
- The budget neutrality expenditure target is \$8.4 billion over the five-year demonstration period.
- CMS will require renegotiation of budget neutrality to reflect the implementation of Medicare Part D drug coverage.



# SeniorCare Pharmacy Plus Waiver

## Eligibility Requirements

- Must be a Wisconsin Resident
- Must be at least 65 years old
- Must pay a \$30 annual enrollment fee per person
- Only income is measured. Assets, such as bank accounts, insurance policies and home property are not counted.
- All program participants pay an out-of-pocket expense.
- Projected annual income is used to determine the participation level of the individual or couple.
- Income amounts are based on 2004 federal poverty guidelines, which increase by a small percentage each year.



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## Income Verification

- All Social Security income is verified through data exchange with SSA.
- Income from Railroad retirement is verified in writing by the Railroad Retirement Board.
- Eligibility staff make follow-up contacts by telephone and in writing with many applicants when incorrect income may have been reported.
- From July 2004 through January 2005, approximately 10% of the 56,000 SeniorCare applications and renewals required income corrections prior to eligibility determination.
- Staff directly contacted about 3,000 of these applicants.



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## Income Verification

Planned enhancements to the income verification process:

- Prior to enrollment:
  - Better identification of situations where NH spouse is allocating income
  - Automated requests for verification, which are now manual
  - Improved instructions for completing the SeniorCare application and renewal forms to increase correct reporting of income.
- After enrollment:
  - Use of Internal Revenue Service (IRS) and Public Assistance Reporting Information System (PARIS data) for second-party review of income reporting.



# SeniorCare Pharmacy Plus Waiver

## **Level 1**

- Income at or below \$14,896 per person/\$19,984 per couple
- No deductible or spenddown
- \$5 copay for each covered generic prescription drug
- \$15 copay for each covered brand name prescription drug



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## Level 2a

- Income \$14,897-\$18,620 per person/\$19,985-\$24,980 per couple
- \$500 deductible per person
- Pay the SeniorCare rate for drugs until the \$500 deductible is met.
- After the \$500 deductible is met, pay \$5 copay for each covered generic prescription drug and \$15 copay for each covered brand name prescription drug.





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## Level 2b

- Income \$18,621-\$22,344 per person/\$24,981-\$29,976 per couple
- \$850 deductible per person
- Pay the SeniorCare rate for most covered drugs until the \$850 deductible is met.
- After the \$850 deductible is met, pay \$5 copay for each covered generic prescription drug and \$15 copay for each covered brand name prescription drug.



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## Level 3

- Income over \$22,344 per person/\$29,976 per couple
- During spenddown period, pay retail price for drugs equal to the difference between annual income and \$22,345 per person/\$29,977 per couple. Covered drugs during spenddown are tracked automatically. During spenddown, there is no discount on drug costs.
- After spenddown is met, \$850 deductible per person.
- Pay the SeniorCare rate for most covered drugs until the \$850 deductible is met.
- After the \$850 deductible is met, pay \$5 copay for each covered generic prescription drug and \$15 copay for each covered brand name prescription drug.



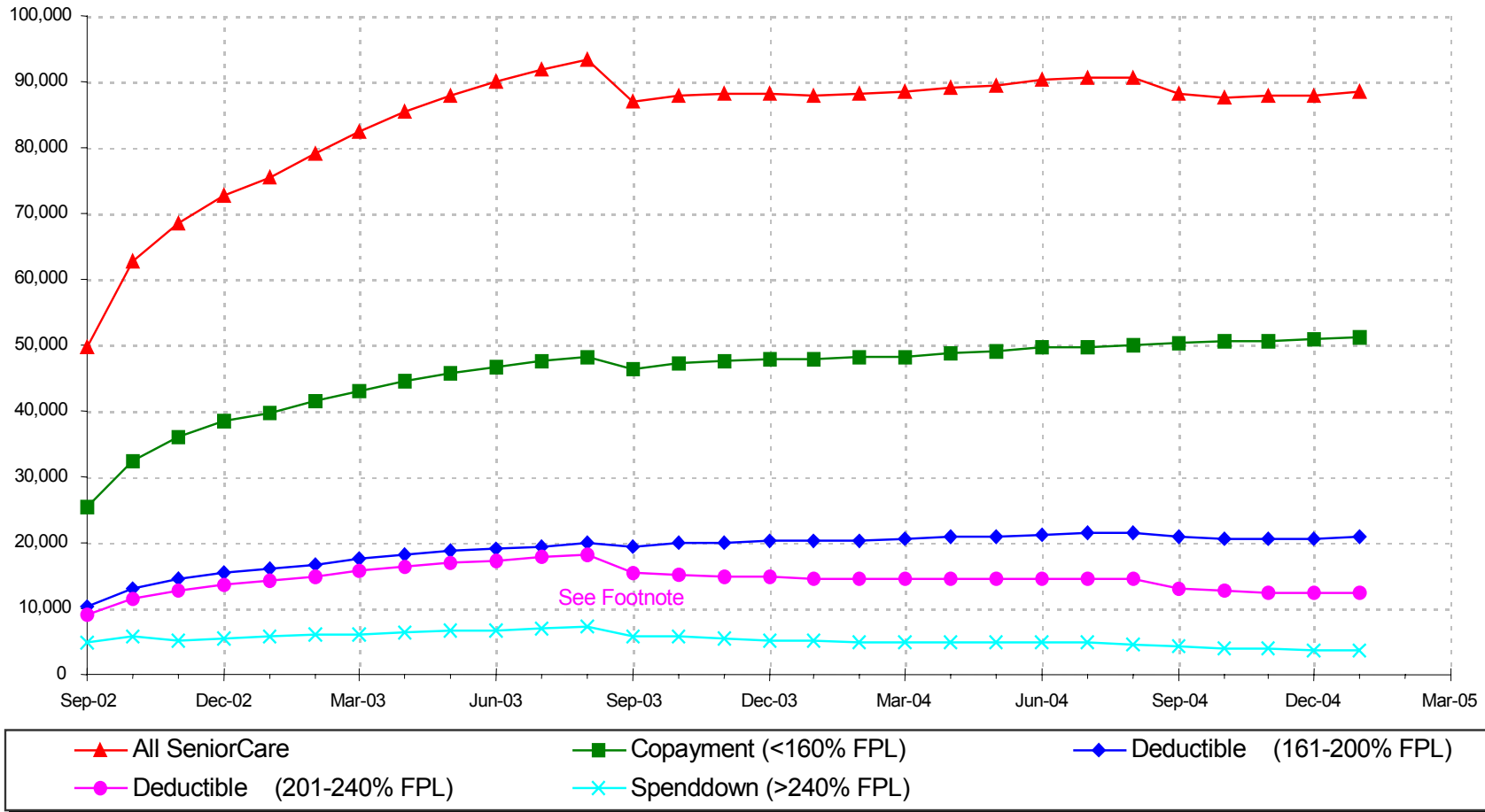
# SeniorCare Pharmacy Plus Waiver

## Average Income

<u>Benefit Level</u>	<u>Individual</u>	<u>Couple</u>	<u>Enrollment</u>
Level 1	\$11,260	\$16,127	51,540
Level 2a	\$16,018	\$21,928	21,005
Level 2b	\$19,569	\$26,703	12,505
Level 3	\$24,219	\$36,645	3,734
Average	\$13,691	\$22,357	



## SeniorCare Enrollment



# SeniorCare Pharmacy Plus Waiver

## Benefit Expenditures

- SeniorCare benefits are funded with a combination of GPR, federal funds and program revenue from rebates negotiated between DHFS and drug manufacturers.
- Federal matching funds are available only for participants in Level 1 and Level 2a, who have income at or below 200% FPL.

Expenditure Type	SFY03	SFY04	SFY05 (as budgeted)
GPR	\$ 25.4 million	\$ 38.2 million	\$ 39.3 million
Program Revenue	\$ 6.8 million	\$ 31.2 million	\$ 38.1 million
Federal Revenue	\$ 26.9 million	\$ 41.5 million	\$ 36.3 million
Subtotal	\$ 59.1 million	\$110.9 million	\$113.7 million



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## State Paid Prescriptions

<b>SFY 2003</b>	<u>Generic</u>	<u>Brand</u>	<u>Total</u>
Number of Scripts	940,060	857,796	1,797,856
Share of Total	52%	48%	
Ave. Cost per Script	\$9.73	\$58.14	\$32.82
 <b>SFY 2004</b>	 <u>Generic</u>	 <u>Brand</u>	 <u>Total</u>
Number of Scripts	1,702,585	1,389,182	3,091,767
Share of Total	55%	45%	
Ave. Cost per Script	\$10.85	\$66.40	\$35.91 (+9.1%)
 <b>YTD SFY 2005</b>	 <u>Generic</u>	 <u>Brand</u>	 <u>Total</u>
Number of Scripts	1,118,835	805,418	1,924,253
Share of Total	58%	42%	
Ave. Cost per Script	\$10.31	\$75.12	\$37.43 (+4.5%)



# SeniorCare Pharmacy Plus Waiver

## Administration Expenditures

Expenditure Type	SFY03	SFY04	SFY05 (as budgeted)
GPR	\$ 2.4 million	\$ 0.8 million	\$ 0.8 million
Program Revenue	\$ 1.7 million	\$ 2.7 million	\$ 2.7 million
Federal Revenue	\$ 0.0 million	\$ 0.2 million	\$ 0.2 million
Subtotal	\$ 4.1 million	\$ 3.7 million	\$ 3.7 million

